New Journeys Pricing Considerations and Preliminary Case Rate Development

As of June 30, 2020:

The State of Washington (State) contracted with Mercer Government Human Services Consulting (Mercer), part of Mercer Health & Benefits LLC to develop a fiscal analysis that reflects the expected case rate payment for the implementation of the New Journeys program. The New Journeys program is designed for treatment of First Episode Psychosis for eligible individuals. The State Legislature requested the work be done in collaboration with the Health Care Authority (HCA) as well as members from the Washington Council for Behavioral Health (Washington Council) to promote alignment between best-practice delivery, established actuarial rate development practices within the State and Medicaid financing requirements. To-date, the program has operated in pilot sites and the State has requested an analysis to determine potential Medicaid-allowable reimbursement levels under a uniform case rate. While various parameters of the program/benefit design continue to evolve as of the date of this report, Mercer has developed a case rate payment based on information known to-date.

The data and methodology illustrated below were developed in collaboration with HCA and the Washington Council for sole use in the assessment of the financial impact of Medicaid reimbursement for the Washington New Journeys program. Use of this information for any purpose beyond that stated may not be appropriate.

Background/Key Programmatic Requirements and Considerations

New Journeys is an evidence based and strengths based early intervention program, which provides outreach and intervention for transition-aged youth, young adults, and their families when first diagnosed with psychosis. Members of the New Journeys treatment team will travel to the home, school, or elsewhere in the community to provide assessment, screening, and therapy for people affected by first episode psychosis.

To support development of the fiscal analysis, HCA provided Mercer with proposed program requirements illustrated in a draft provider manual (as of early June 2020). Facets of these requirements were vetted with the Washington Council throughout the project term and were ultimately used to develop the projected case rate as of the date of this report. As noted above, certain elements of the program are expected to be further refined over the remainder of the year.

The listing below reflects key known programmatic criteria, but is not intended to be a comprehensive listing.

Eligibility

- Eligibility criteria for the New Journeys program will be consistent with historic approaches within the New Journeys pilot sites.
- Caseload per team is not expected to exceed 30 individuals.

Service Delivery

- HCA intends to reimburse for services under a case rate with the issuance of payments dependent on delivery of services each month. The case rate will be issued on a monthly basis for each individual who utilized services (per user per month [PUPM]) and will cover expenditures on an at-risk basis. As detailed further below, these payments will vary by duration with higher payments for initial months where services are expected to be more intensive.
- Based on discussion with HCA and the Washington Council, individuals will be eligible for the New Journeys program for a duration of 24 months. Throughout this time, managed care organizations will receive both a case rate payment and a separate Medicaid capitation payment.
- The New Journeys team is expect to be comprised of a program director/family education specialist (1.0 FTE), a psychiatrist (0.25 FTE), a therapist/master's level clinician (1.0 FTE), a supported employment and education specialist (1.0 FTE), a case manager (0.5 FTE), and a peer specialist (0.5 FTE) with total FTE count of 4.25.
- Services included in this case rate are limited to Medicaid benefits currently covered under the State Plan.

Financing/Other Considerations

- In developing these estimates, Mercer assumed all services, identified by procedure code, listed in the draft New Journeys provider manual and delivered by New Journeys teams will be captured under the case rate payment. Mercer recognizes actual service delivery may vary.
- Through discussion with HCA, Mercer utilized service-level encounter data to develop the case rate. While Mercer recognizes the availability of alternative pricing approaches for coordinated specialty care programs, this approach was utilized to align the case rate with historically delivered services at the pilot sites. At this time, HCA intends to require that encounter reporting align with prevailing State service encounter reporting instruction (SERI) requirements.
- Payment of the case over the 24-month eligibility period necessitates clear auditing of the New Journeys enrollment date and real-time verification of service delivery for each month during that span. Mercer utilized historic data in a manner that reflects the specific and continuous 24-month span from enrollment date. To the extent New Journeys eligibility periods vary from this span, the case rate may not be appropriate.

  - The 24-month eligibility period is expected to begin with the New Journeys enrollment date. Mercer and HCA acknowledge this date may not align with first service delivery or formal intake services. For the purposes of this analysis, a member's 24-month eligibility period begins as of the New Journeys enrollment date reported in the member list provided by HCA. Mercer recognizes that formal issuance of case rate payments must align with the development methodology; as policy decisions are finalized, adjustments to the calculation may be necessary.

- During the 24-month program duration, managed care organizations will also receive a capitation payment commensurate with New Journeys eligibles' Medicaid eligibility. This separate capitation payment will capture other State Plan benefits not explicitly covered as part of the case rate development. Consistent with managed care payment principles, this separate payment will reflect average reimbursement under a risk pool. Subsequent to the 24-month eligibility period, managed care organizations will only receive the capitation payment for New Journeys individuals.

- The New Journeys case rate payment methodology developed herein is expected to be implemented during calendar year (CY) 2021. While the analyses in this report illustrate a fiscal estimate, trend factors were used to project expenses to the CY 2021 period.

Data Collection and Summarization

As a basis for calculating the case rate, HCA provided Mercer with a list of individuals historically enrolled in New Journeys pilot programs and historic Medicaid eligibility and encounter data for these individuals. Mercer filtered the encounter data to months of New Journeys eligibility during CY 2017, CY 2018 and CY 2019. In conjunction with HCA and the Washington Council, Mercer reviewed the data for consistency and reasonability but did not audit the data. Services included in this case rate are limited to benefits currently covered under the State Plan and do not include reimbursement for initial engagement and outreach activities.

In developing these estimates, Mercer assumed that all services listed in the draft New Journeys provider manual and delivered at New Journeys sites would be captured under the case rate payment. Mercer recognizes that actual service delivery may vary.

Historically, behavioral health (BH) organizations and managed care organizations (MCOs) have collected behavioral health encounter data from provider organizations and submitted records through the State's Medicaid Management Information System. These records include information on rendering provider, service dates, services provided and units delivered. Mercer reviewed the line-reported units alongside SERI guidelines for the applicable time periods. Some cleaning of the reported units was required to align with the SERI guidelines, and once complete, units were converted to hours.

Community outpatient services may be covered under subcapitation or other non-traditional payment arrangements; these records do not include any cost or expenses associated with the service. As such, for managed care capitation rates, Mercer and the State have developed a 'shadow pricing' approach consistent with a traditional fee schedule development methodology as part of the capitation rate development process. The process ensures efficient state purchasing of services in a *Medicaid* managed care environment and may not be applicable for other purposes. This process is summarized below.

Members enrolled in the New Journeys program utilize the full array of Medicaid benefits, regardless of whether some of those services are delivered by their New Journeys provider. The BH encounter data captures all Medicaid services delivered to these recipients based solely on the members' enrollment in New Journeys. To isolate the services expected to be delivered as part of the case rate, Mercer utilized a benefit package procedure code listing provided by the State and cross-referenced the listing to records observed in the encounter data. These codes are illustrated below:

SERI Modality	Procedure Code
Community Psych Services	H0036, H2015
Family Treatment	90846, 90847
Group Treatment Services	90849, 90853
Individual Treatment Services	90832, 90834, 90837, H0004, H0046, H2014, H2017
Intake	90791, 90792, 99202, 99203, 99204, 99205, H0031
Medication Management	96372, 99211, 99212, 99213, 99214, 99215, 99349, 99350, T1001
Medication Monitoring	H0033, H0034
Peer Support	H0038
Rehab Case Management	H0023
Therapeutic Psychoeducation	H2027, S9446

Note that inpatient, evaluation and treatment, residential, and crisis services are among various modalities not expected to be part of this case rate. These services will be part of the Medicaid capitation rates issued separately on behalf of New Journeys eligibles.

Mercer separately summarized data by provider and discussed the results with HCA and the Washington Council. After review, it was agreed data associated with the Behavioral Health Resources provider in Olympia (BHR) best reflected the anticipated service utilization of the New Journeys program. While the encounter data did capture services delivered at other sites, smaller caseload and inconsistent reporting drove unexpected variability in the results. As such, **Mercer limited the data to BHR in Olympia only.** Encounter reported utilization at this provider was determined to be comprehensive, and as such, no additional adjustments were made to historic utilization levels.

In addition to encounter and eligibility datasets, HCA provided Mercer with various pilot site-generated reports, which detail activities beyond billable service delivery. These activities include training, consultation, team meetings, travel and other general office activities. This data was utilized in the development of the productivity assumptions as detailed in the Productivity Assumptions section below.

Finally, as of June 11, 2020, HCA provided Mercer with a draft provider manual, which detailed historic levels of non-productive time as well as required operations for New Journeys teams. The provider manual is expected to be refined prior to program implementation; *to the extent revisions*

are made, the assumptions and modeling documented in this report and fiscal projections may need to be updated.

Methodology for Pricing Hourly Community Outpatient Services

As with encounter data used to develop the BH capitation payments, reported services delivered to New Journeys enrollees do not contain payment information from the BHOs (prior to MCO integration). Therefore, Mercer implemented a pricing approach to New Journeys services, similar to that used for other Medicaid encounters as part of the BH capitation rates. Through discussions with the State, certain considerations were modified from what was used to develop BH capitation rates to reflect the New Journeys program requirements and care model.

The general components of the pricing approach are identified below:

- Staffing Assumptions and Staff Wages.
- Employee-Related Expenses (ERE) — Benefits, Employer Taxes (e.g., FICA, unemployment and workers' compensation).
- Provider Overhead Expenses.
- Productivity Assumptions (billable versus non-billable time).

For the purpose of this study, Mercer retained assumptions used to develop BH capitation rates for all Staffing, ERE and overhead assumptions. Modifications were made only to productivity-related factors. For additional information pertaining to all assumptions, please refer to the Mercer Data Book issued in July 2018.

Productivity Assumptions

The productivity assumptions reflect a percentage of full-time equivalent staff hours (2,080 hours per year), which translates into direct billable hours for each BH service modality. Mercer has historically modeled the productivity of staff separately by service modality to consider the differences in service delivery between office-based services and community-based services as well as the nature of each service as it relates to productive time. While Mercer recognizes certain services categorized as office-based are occasionally provided in the community and vice versa, the methodology is developed based on the "typical" service setting based on the procedure code definition. Further, Mercer recognizes in a managed care environment, provider productivity patterns may vary and there will likely be interaction among the various components of non-productive time.

The assumptions illustrated below reflect components of non-billable time addressed in conjunction with HCA and the Washington Council. Additional productivity components apply but are unchanged from the assumptions used to develop the BH capitation rates or WISe program rates (as noted).

- Paid Time-Off (PTO) — PTO includes consideration for vacation, holidays and sick time. The assumptions varied the level of PTO for practitioners with higher levels of education. **No changes from BH capitation rate assumptions.**

  - Vacation — three weeks of vacation assumed for all staff except MD/Psychiatrist, which were set at four weeks, and Certified Peer Specialists set at two weeks.
  - Eleven paid holidays.
  - Ten sick days.
- Training — training hours are projected to include 84 total hours per staff on average. HCA provided Mercer with a draft provider manual, which details the specific training activities for practitioners at each site. Specifically, these requirements include new provider training, ECHO participation, and specialty and other training associated with fidelity monitoring. Specific requirements are detailed below:
  - Baseline licensure training expectations: 48 hours/year.
  - New provider training: 8 hours / year to reflect the expectation for provider turnover and other program development efforts.
  - ECHO participation (required): 18 hours/year.
  - Specialty topic training: eight hours/year.
  - Fidelity training (program director only): 12 hours/year; zero hours for all other staff; average of two hours/year across all staff.
- Fidelity Monitoring — to ensure adherence to program fidelity requirements, practitioners are expected to commit time to monitoring efforts. This includes preparation and participation in fidelity reviews across all staff as well as training and peer review efforts for the program director. Based on information provided by HCA (confirmed to be mutually exclusive from all other requirements), Mercer included the following assumptions.
  - Program Director: 16 hours/year for peer review and ongoing training.
  - All other staff: 14 hours/year.
  - Based on the team composition as described by HCA, this results in an average expectation of 14.5 hours/year for fidelity monitoring.
- Supervision — many of the service definitions indicate that services can be provided under the supervision of a BH professional, which is defined as at least Master's level in the State Plan. To account for time spent by staff supervising or being supervised, Mercer has historically considered adjustments for non-billable time spent supervising and being supervised. The following assumptions were used: **No changes from BH capitation rate assumptions.**
  - Five hours per week of supervision time for MA/PhD staff.
  - Two hours of time per week being supervised or supervising for psychiatrist and physician assistants.

  - One hour of time per week being supervised or supervising for other staff.

- Other Non-Billable Activities — additional non-productive time to allow for activities such as consultation, team meetings, research (non-training related) and other general activities. Based on historic BHR-reported activities, these activities support an additional two hours/day of non-billable time.

- Time spent traveling to community-based appointments — these assumptions vary based on the modality and region with longer travel times expected for community-based services and/or in rural areas of the state. Because of the outpost service delivery structure in the frontier counties, one hour of travel time has been included for most office-based services versus 0.5 hours for urban and rural counties. **No changes from WISe program assumptions.**

  - Note the data underlying these projections are limited to utilization at BHR in the Thurston Mason region. As such, the projections primarily reflect urban assumptions. Future updates and refinement should consider differential travel assumptions for teams in more rural/frontier regions.

Classification	Office-Based Services	Community-Based Services
Urban	0.5 hours for MH/SUD staff, 0.25 for RN, 0 for clinic staff	1 hour per day, 0 for PA/Psych and clinic staff
Rural	0.5 hours for MH/SUD staff, 0.25 for RN, 0 for clinic staff	1.5 hours per day, 0 for PA/Psych and clinic staff
Frontier	1.0 hour for MH/SUD staff, 0.5 for RN, 0 for clinic staff	2.5 hours per day, 0 for PA/Psych and clinic staff

Other Distinctions by Service Modality

Additional modifications are made for certain modalities:

- Intake — Mercer assumed slightly lower productivity assumptions for intake assessment services that may require greater documentation.

- Medication Management — Mercer assumed higher productivity assumptions for medication management services because of limited travel requirements.

Concurrent Delivery of Services in a Team Model

A key aspect of the New Journeys model is the expectation that certain services will be delivered with multiple providers present. This team-based model reflects best-practice service delivery for First Episode Psychosis programs. Based on historic data provided by HCA, BHR documented a proportion of billable services with a co-practitioner at 13–16% over CY 2018 and CY 2019. To allow for ongoing growth as well as more intensive service delivery during early months of eligibility, Mercer assumed 30% of billable activities would be delivered with a co-practitioner across all months of service. This assumption is consistent with expectations used in the State's WISe program.

Under SERI guidelines that govern the data provided by HCA, provider type information (taxonomy) only capture a single practitioner. While future reporting may allow for reporting of multiple practitioners, Mercer worked with HCA to determine assumptions on modalities and practitioner types expected to operate under a team-based approach. The table below reflects Mercer's understanding of the team-based delivery of services based on the draft provider manual and feedback from HCA and its stakeholders. As indicated above, to the extent revisions are made to draft provider manual and program expectations, the assumptions and modeling in this table may need to be updated.

Modality Description	Team Based	Program Director/ Family Ed Specialist 1.0 FTE	Therapist 1.0 FTE	Supported Employment / Edu Spec 1.0 FTE	Case Manager 0.5 FTE	Peer Specialist 0.5 FTE	Psychiatrist 0.25 FTE
Individual Treatment Services	Y	x	x				
Group Treatment Services	Y, any two providers	x	x	x	x	x	
Family Treatment	Y, any two providers	x	x				
Intake	Y	x					x
Medication Management	N						
Medication Monitoring	N						
Rehab Case Management	Y, any two providers			x	x	x	
Community Psych Services	Y, any two providers			x	x	x	
Peer Support	N						
Therapeutic Psychoeducation	Y, any two providers	x	x			x	x

Concurrent delivery assumptions are applied through additional salary expense projections for each applicable service.

Unit Cost Development Formula

For each modality, provider type, salary area, and urban/rural/frontier designation, an hourly service rate is developed according to the following formula:

$$(\text{Hourly Salary}) \times (1 + \text{ERE\%}) \;/\; (1 - \text{Overhead}) \;/\; (\text{Productivity \%})$$

Example:

($20/Service Hour) x (1 + 25%) / (1 – 40%) / (48%) = $86.81/Service Hour

Development of Tiered Base Data (Durational Analyses)

HCA intends to reimburse under a monthly case rate based on date of enrollment in the New Journeys program. These case rate payments are expected to vary across two phases:

- Tier 1 payments will be made for each month that a member receives billable services within the first six months of eligibility.
- Tier 2 payments will be made for each month that a member receives billable services within months 7 through 24 of eligibility, under the expectation that billable services delivered are not as intensive as during the first six months.

Mercer arrayed the historic encounter data by month of New Journeys eligibility date as prescribed by HCA. Under this approach, Month One is defined by the New Journeys enrollment date as reported in the member list provided by HCA. Subsequent months are based on this initial date of eligibility and reflect a continuous eligibility span regardless of the presence of monthly service delivery.

User months were defined as each month for which an eligible member utilized one or more New Journeys services at a New Journeys pilot site.

After summarizing the data by monthly duration and site, Mercer applied the unit cost pricing factors outlined above to the line-billed units converted to hours. These dollars were then divided by the count of user months by site. With BHR selected as the base data, the resulting base per user per month (PUPM) by tier was as follows:

Tier	PUPM	
Tier 1 (first six months)	$1,660	A
Tier 2 (months 7 through 24)	$1,090	B
Average (for illustrative purposes only)	$1,230	6 / 24 * A + 18 / 24 * B

Appendix A provides additional detail by duration and service modality.

Trend Inflation Factors

Trend is an estimate of the change in the overall cost of providing health care benefits over a finite period. A trend factor is necessary to project the expenses of providing health care services from the base period through CY 2021. This aggregate projection period is 48 months. Under traditional trend projection approaches, consideration is developed for both unit cost inflation as well as changes to service delivery volumes. As New Journeys is reimbursed under a case rate approach, utilization inflation is expected to occur through caseload growth. As a result, Mercer limited trend projection factors to unit cost only.

Trend considerations were developed separately (mutually exclusive) of program changes noted later in this memo. Specifically, Mercer applied a separate program change for BH enhancement funding (focused on provider retention and recruitment), which will result in increases to unit cost levels for community-based services. To not double count the impact of increasing provider fees, Mercer minimized the unit cost component of the CY 2019 to CY 2020 trend inflation factor.

The resulting annualized trend factors (by period) are illustrated below:

Trend Period	Annualized Unit Cost Trend Factor
Base to CY 2019 (24 months)	3.1%
CY 2019 to CY 2020 (12 months)	0.5%
CY 2020 to CY 2021 (12 months)	2.1%
Aggregate Annualized Trend	2.2%

Prospective Adjustments

Program Changes

Programmatic change adjustments recognize the impact of benefit or eligibility changes, which took place during or after the base year. For this work, Mercer reviewed historic program changes included in recent BH rate calculations for adjustments related to community-based MH benefits covered under the New Journeys program. While the majority of BH program changes were related to facility expansions, Mercer did identify a single program change to apply to the case rate.

BH Enhancement Funding

Recent legislation (HB 1109) has provided funding to regions to support provider retention and recruitment during CY 2020. While these funds are intended to promote provider reimbursement, they are to be used at the discretion of the MCO. In order to verify the use, the State instructed the regions to develop and submit implementation plans that illustrate the use of this funding and to confirm any portions, which are expected to impact Medicaid services. Consistent with the adjustments used to develop the CY 2020 BH capitation rates, Mercer utilized adjustment factors developed based on regional implementation plans provided by the MCOs. These adjustments reflect changes to practitioner salaries effective starting CY 2020 and are expected to continue through CY 2021.

Rating Region	Adjustment
Total (based on Thurston Mason)	9.8%

Non-Benefit Load

At this time, no adjustments are included for non-benefit load (general MCO administration, MCO care management and underwriting gain). This payment represents medical expense projection, which captures reasonable and quantifiable provider expenditures, including provider administration. As additional details regarding State financing mechanisms become known, this work can be revised to include items such as MCO administration, underwriting gain and other non-benefit adjustments, as appropriate.

Estimated Case Rate Projection

The above factors were used to develop the case rate projection for CY 2021 as follows:

Tier	Projected Case Rate	
Tier 1 (first 6 months)	$1,980	A
Tier 2 (months 7-24)	$1,310	B
Average (for illustrative purposes)	$1,480	6 / 24 * A + 18 / 24 * B

Additional detail on the development of this case rate can be found in Appendix B

In preparing the fiscal estimates shown above for the CY 2021 contract period, Mercer used and relied upon enrollment, eligibility, encounter, claims and benefit design information supplied by the State and MCOs. The State and its vendors are responsible for the validity and completeness of these supplied data and information. Mercer reviewed the data and information for internal consistency and reasonableness, but did not audit them. If the data and information are incomplete or inaccurate, the values shown in this report may need to be revised accordingly.

These fiscal estimates were developed in accordance with generally accepted actuarial practices and principles and are appropriate for the Medicaid covered populations and services under the managed care contract. *These fiscal estimates do not constitute an actuarially sound payment rate.*

Fiscal estimates developed by Mercer are projections of future contingent events. All estimates are based upon the information and data available at a point in time, and are subject to unforeseen and random events. Therefore, any projection must be interpreted as having a likely and potentially wide range of variability from the estimate. Any estimate or projection may not be used or relied upon by any other party or for any other purpose than for which it was issued by Mercer. Mercer is not responsible for the consequences of any unauthorized use. Actual MCO and provider costs will differ from these projections. Use of these estimates for any purpose beyond that stated may not be appropriate.

This report assumes the reader is familiar with the Washington Medicaid program, Medicaid eligibility rules, and actuarial rating techniques. It has been prepared exclusively for purses of State budget estimates and should not be relied upon by third parties. Other readers should seek the advice of

actuaries or other qualified professionals competent in the area of actuarial rate projections to understand the technical nature of these results. Mercer is not responsible for, and expressly disclaims liability for, any reliance on this report by third parties.

Future Considerations

Mercer acknowledges this fiscal analysis was developed based on information known as of the date of this report. As previously noted, program guidelines, financing approaches and other considerations are expected to evolve prior to the program start date. To the extent additional program information becomes available, these fiscal projections will need to be revised. The information below reflects known items that may impact future New Journeys case rate calculations:

- Program Case Rate Effective Date — HCA currently expects this case rate payment methodology to be effective during CY 2021. Trend projections are calibrated to align with this period. Should the program start before or after this date, the projections will need to be adjusted.

- Expected Service Delivery — currently, the data reflects reported BHR encounter records only. Ongoing review and comparison to expected service delivery may identify areas where historic reported services may or should look differently than what is currently represented.

- Team-based delivery — current assumptions are based on clinical and provider feedback as gathered by HCA. There may be opportunities to further refine assumptions on team-based (co-practitioner) care as additional information becomes known.

- Financial Responsibility of Services Delivered — while HCA has identified SERI procedure codes that align with New Journeys covered services, Mercer recognizes the availability of similar codes reported by other non-New Journeys providers. For purposes of this analysis, Mercer summarized services reported under a New Journeys eligible procedure code and delivered by BHR for use in the case rate development. Under this assumption, similar services delivered by other providers would continue to be the financial responsibility of the MCO.

- Regional Cost Variation — data underlying these projections are limited to utilization at BHR in the Thurston Mason region. As such, the projections predominantly reflect urban travel and salary assumptions. Additional discussion is required to determine the desire to vary the case rate payment on a regional basis (to reflect differential travel and salary assumptions).

- MCO Administration Responsibility — a determination of the administrative responsibilities of the MCOs was not known as of the date of this report. Potential MCO activities may include establishing contracts with New Journeys providers, tracking and verifying eligibility and issuing payments. At this time, no MCO administrative expense load has been included.

Appendix A

Durational Analysis

Durational Analysis: Modality Cost Summary

Behavioral Health Resources Olympia

SERI Modality	New Journeys Duration 01	02	03	04	05	06	07	08	09	10	11	12
Membership												
User Months	35	35	33	34	36	34	27	25	29	25	22	18
PUPM by SERI Modality												
Community Psych Services	$ 56.60	$ 196.74	$ 76.82	$ 93.69	$ 117.40	$ 107.90	$ 107.42	$ 96.78	$ 48.84	$ 88.52	$ 88.52	$ 179.54
Family Treatment	$ 152.99	$ 228.36	$ 262.35	$ 133.42	$ 166.31	$ 92.85	$ 113.61	$ 102.69	$ 53.22	$ 135.71	$ 86.93	$ 82.67
Group Treatment Services	$ -	$ -	$ 10.96	$ 15.95	$ 9.04	$ 9.57	$ 0.67	$ -	$ -	$ -	$ -	$ -
Individual Treatment Services	$ 720.61	$ 1,408.70	$ 1,374.57	$ 1,209.79	$ 837.30	$ 730.82	$ 840.71	$ 866.25	$ 721.03	$ 704.83	$ 412.92	$ 693.10
Intake	$ 428.41	$ 186.41	$ 84.02	$ 22.21	$ -	$ 18.70	$ 21.59	$ -	$ 50.24	$ 73.48	$ -	$ -
Medication Management	$ 24.02	$ 127.82	$ 98.68	$ 138.62	$ 96.68	$ 64.21	$ 107.01	$ 93.47	$ 47.58	$ 70.13	$ 53.69	$ 67.18
Medication Monitoring	$ 3.46	$ 0.87	$ 5.51	$ 0.89	$ 1.68	$ 2.67	$ 4.45	$ 5.24	$ -	$ -	$ 2.75	$ 3.37
Peer Support	$ 2.47	$ 7.42	$ 11.15	$ 31.83	$ 37.28	$ 18.97	$ 54.51	$ 43.16	$ 41.80	$ 36.36	$ 15.74	$ 22.85
Rehab Case Management	$ -	$ -	$ -	$ -	$ -	$ 14.56	$ -	$ 20.69	$ -	$ -	$ -	$ -
Therapeutic Psychoeducation	$ -	$ 35.75	$ 118.48	$ 131.37	$ 137.36	$ 94.14	$ 50.71	$ 90.76	$ 47.80	$ 125.29	$ 64.07	$ 138.73
Total	**$ 1,388.57**	**$ 2,192.07**	**$ 2,042.55**	**$ 1,777.78**	**$ 1,403.05**	**$ 1,154.38**	**$ 1,300.66**	**$ 1,319.03**	**$ 1,010.51**	**$ 1,234.31**	**$ 724.62**	**$ 1,187.44**

SERI Modality	New Journeys Duration 13	14	15	16	17	18	19	20	21	22	23	24	25+
Membership													
User Months	17	16	16	14	16	13	9	7	8	9	6	5	39
PUPM by SERI Modality													
Community Psych Services	$ 79.83	$ 116.51	$ 54.45	$ 78.46	$ 112.39	$ 83.23	$ 139.96	$ 110.99	$ 40.92	$ 61.63	$ 81.30	$ 7.77	$ 188.39
Family Treatment	$ 79.44	$ 87.69	$ 134.45	$ 145.31	$ 94.12	$ 64.75	$ 67.55	$ 120.26	$ 70.15	$ 101.33	$ 46.77	$ 56.12	$ 21.58
Group Treatment Services	$ -	$ 27.12	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Individual Treatment Services	$ 618.40	$ 668.83	$ 669.89	$ 755.59	$ 584.56	$ 586.71	$ 567.96	$ 467.67	$ 430.84	$ 503.00	$ 792.08	$ 220.74	$ 297.97
Intake	$ 17.92	$ 71.22	$ 51.33	$ 85.15	$ 49.67	$ -	$ -	$ -	$ -	$ 216.35	$ -	$ 76.83	$ 57.37
Medication Management	$ 88.20	$ 38.52	$ 74.03	$ 37.84	$ 55.97	$ 40.18	$ 63.10	$ 94.25	$ 65.94	$ 71.76	$ 145.47	$ 38.21	$ 71.65
Medication Monitoring	$ -	$ -	$ -	$ -	$ 5.68	$ -	$ -	$ 12.99	$ -	$ -	$ -	$ -	$ 2.05
Peer Support	$ 11.46	$ 14.88	$ 12.18	$ 43.29	$ 21.65	$ 19.98	$ 19.24	$ 24.74	$ 27.06	$ 64.94	$ 90.19	$ -	$ -
Rehab Case Management	$ 4.35	$ -	$ -	$ -	$ 2.31	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Therapeutic Psychoeducation	$ 207.87	$ 169.14	$ 108.41	$ 104.27	$ 78.20	$ 64.17	$ 139.03	$ 148.96	$ 182.48	$ 185.37	$ 104.27	$ -	$ -
Total	**$ 1,107.46**	**$ 1,193.90**	**$ 1,104.73**	**$ 1,249.92**	**$ 1,004.55**	**$ 859.02**	**$ 996.84**	**$ 979.85**	**$ 817.37**	**$ 1,204.38**	**$ 1,260.08**	**$ 399.66**	**$ 639.03**

General Notes:

- All data above limited to the Behavioral Health Resources Olympia New Journeys site.
- The data and methodology included herein was developed on behalf of the Washington Health Care Authority for sole use in the construction of a Medicaid reimbursement arrangement for the Washington New Journeys program. Use of this information for any purpose beyond that stated may not be appropriate.
- Data represents Medicaid eligible members for months on or after enrollment in the New Journeys program within Calendar Years (CYs) 2017-2019.
- Claims/Encounters represent ProviderOne data restricted to documented New Journeys sites and expected procedure codes.
- Claims/Encounter dollars reflect line paid units shadow priced under the managed care capitation rate methodology using draft modeled unit cost for hourly services. Pricing subject to change.

WA New Journeys
Durational Analysis: Modality Cost Summary
Behavioral Health Resources Olympia

	New Journeys Duration											
SERI Modality	**01**	**02**	**03**	**04**	**05**	**06**	**07**	**08**	**09**	**10**	**11**	**12**
Membership												
User Months	35	35	33	34	36	34	27	25	29	25	22	18
Units PUPM by SERI Modality												
Community Psych Services	0.36	1.24	0.46	0.53	0.72	0.62	0.56	0.59	0.28	0.51	0.55	1.04
Family Treatment	0.55	0.81	0.94	0.48	0.59	0.33	0.41	0.37	0.19	0.49	0.31	0.30
Group Treatment Services	-	-	0.15	0.22	0.13	0.13	0.01	-	-	-	-	-
Individual Treatment Services	2.57	5.02	4.90	4.31	3.00	2.63	3.02	3.11	2.59	2.52	1.48	2.48
Intake	1.08	0.43	0.19	0.06	-	0.03	0.05	-	0.13	0.13	-	-
Medication Management	0.10	0.51	0.40	0.54	0.38	0.25	0.38	0.32	0.18	0.22	0.20	0.25
Medication Monitoring	0.03	0.01	0.05	0.01	0.01	0.02	0.03	0.04	-	-	0.02	0.03
Peer Support	0.03	0.09	0.13	0.37	0.43	0.22	0.63	0.50	0.48	0.42	0.18	0.26
Rehab Case Management	-	-	-	-	-	0.07	-	0.09	-	-	-	-
Therapeutic Psychoeducation	-	0.17	0.55	0.61	0.65	0.45	0.24	0.40	0.22	0.54	0.26	0.58
Total	**4.72**	**8.28**	**7.77**	**7.12**	**5.91**	**4.74**	**5.34**	**5.42**	**4.05**	**4.84**	**3.00**	**4.94**

	New Journeys Duration												
SERI Modality	**13**	**14**	**15**	**16**	**17**	**18**	**19**	**20**	**21**	**22**	**23**	**24**	**25+**
Membership													
User Months	17	16	16	14	16	13	9	7	8	9	6	5	39
Units PUPM by SERI Modality													
Community Psych Services	0.46	0.67	0.34	0.48	0.64	0.52	0.89	0.71	0.25	0.36	0.42	0.05	0.87
Family Treatment	0.29	0.31	0.48	0.52	0.34	0.23	0.24	0.43	0.25	0.36	0.17	0.20	0.08
Group Treatment Services	-	0.38	-	-	-	-	-	-	-	-	-	-	-
Individual Treatment Services	2.22	2.39	2.39	2.70	2.09	2.09	2.02	1.67	1.54	1.79	2.83	0.79	1.06
Intake	0.05	0.14	0.13	0.21	0.13	-	-	-	-	0.54	-	0.19	0.14
Medication Management	0.28	0.16	0.32	0.17	0.22	0.12	0.29	0.37	0.27	0.27	0.53	0.17	0.25
Medication Monitoring	-	-	-	-	0.05	-	-	0.11	-	-	-	-	0.01
Peer Support	0.13	0.17	0.14	0.50	0.25	0.23	0.22	0.29	0.31	0.75	1.04	-	-
Rehab Case Management	0.02	-	-	-	0.01	-	-	-	-	-	-	-	-
Therapeutic Psychoeducation	0.84	0.78	0.50	0.50	0.38	0.31	0.67	0.71	0.88	0.89	0.50	-	-
Total	**4.28**	**5.00**	**4.31**	**5.08**	**4.09**	**3.50**	**4.33**	**4.29**	**3.49**	**4.97**	**5.49**	**1.40**	**2.42**

General Notes:

- All data above limited to the Behavioral Health Resources Olympia New Journeys site.
- The data and methodology included herein was developed on behalf of the Washington Health Care Authority for sole use in the construction of a Medicaid reimbursement arrangement for the Washington New Journeys program. Use of this information for any purpose beyond that stated may not be appropriate.
- Data represents Medicaid eligible members for months on or after enrollment in the New Journeys program within Calendar Years (CYs) 2017-2019.
- Claims/Encounters represent ProviderOne data restricted to documented New Journeys sites and expected procedure codes.
- Claims/Encounter units reflect line paid units converted to hours.

Appendix B

Preliminary Case Rate Development Sheet

New Journeys Preliminary Case Rate Development

Tier 1 - Intensive Treatment[1]

Service Modality	Selected Base Data[1]				Unit Cost Adjustments			Prospective New Journeys Case Rate		
	User Months	Hours Per User	Unit Cost	PUPM	Adjustment to 2019 Levels[2]	Prospective Program Changes[3]	Prospective Trend[4]	Hours Per User	Unit Cost	PUPM
Individual Treatment Services	207	3.7	$ 280.05	$ 1,043.53	6.3%	9.8%	2.6%	3.7	$ 335.30	$ 1,249.41
Group Treatment Services	207	0.1	$ 72.31	$ 7.51	6.3%	9.8%	2.6%	0.1	$ 86.57	$ 8.99
Family Treatment	207	0.6	$ 280.32	$ 172.39	6.3%	9.8%	2.6%	0.6	$ 335.63	$ 206.40
Intake	207	0.3	$ 414.12	$ 124.07	6.3%	9.8%	2.6%	0.3	$ 495.82	$ 148.55
Medication Management	207	0.4	$ 253.19	$ 91.53	6.3%	9.8%	2.6%	0.4	$ 303.15	$ 109.59
Medication Monitoring	207	0.0	$ 121.21	$ 2.49	6.3%	9.8%	2.6%	0.0	$ 145.13	$ 2.98
Rehab Case Management	207	0.0	$ 221.63	$ 2.39	6.3%	9.8%	2.6%	0.0	$ 265.35	$ 2.86
Community Psych Services	207	0.7	$ 165.01	$ 108.61	6.3%	9.8%	2.6%	0.7	$ 197.57	$ 130.04
Peer Support	207	0.2	$ 86.49	$ 18.28	6.3%	9.8%	2.6%	0.2	$ 103.55	$ 21.89
Therapeutic Psychoeducation	207	0.4	$ 212.86	$ 85.86	6.3%	9.8%	2.6%	0.4	$ 254.85	$ 102.80
Total	**207**	**6.4**	**$ 258.43**	**$ 1,656.67**	**6.3%**	**9.8%**	**2.6%**	**6.4**	**$ 309.42**	**$ 1,983.51**

Administrative Load:	$ -
Other Non-Medical:	$ -
Total Case Rate:	**$ 1,980.00**

General Notes:

- The data and methodology included herein was developed on behalf of the Washington Health Care Authority for sole use in the construction of a Medicaid reimbursement arrangement for the Washington New Journeys program. Use of this information for any purpose beyond that stated may not be appropriate.

Footnotes:

1. Selected base data reflects the following:
   - ProviderOne data for Medicaid eligible members for months 1 through 6 after enrollment in the New Journeys program with Calendar Years (CYs) 2017-2019 for months in which the member utilized services in the New Journeys benefit package services at Behavioral Health Resources - Olympia.
   - Dollars reflect line paid units converted to hours and shadow priced to CY 2017 levels under the managed care capitation rate methodology with New Journeys non-billable considerations, using draft modeled unit cost for hourly services. Pricing is subject to change.
2. Adjustment to 2019 Levels reflects unit cost trend applied for 2 years from CY 2017 pricing levels to CY 2019.
3. Prospective Program Changes reflects a unit cost adjustment for BH Enhancement funding for community-based services.
4. Prospective Trend reflects unit cost trend applied for 2 years to CY 2021; trend is mitigated to avoid double counting of program changes.

New Journeys Preliminary Case Rate Development

Tier 2 - Maintenance Level Treatment[1]

Service Modality	Selected Base Data[1]				Unit Cost Adjustments			Prospective New Journeys Case Rate		
	User Months	Hours Per User	Unit Cost	PUPM	Adjustment to 2019 Levels[2]	Prospective Program Changes[3]	Prospective Trend[4]	Hours Per User	Unit Cost	PUPM
Individual Treatment Services	282	2.4	$ 279.36	$ 660.11	6.3%	9.8%	2.6%	2.4	$ 334.48	$ 790.35
Group Treatment Services	282	0.0	$ 72.31	$ 1.60	6.3%	9.8%	2.6%	0.0	$ 86.57	$ 1.92
Family Treatment	282	0.3	$ 278.95	$ 94.83	6.3%	9.8%	2.6%	0.3	$ 333.98	$ 113.54
Intake	282	0.1	$ 427.83	$ 37.09	6.3%	9.8%	2.6%	0.1	$ 512.24	$ 44.41
Medication Management	282	0.3	$ 271.50	$ 69.01	6.3%	9.8%	2.6%	0.3	$ 325.06	$ 82.63
Medication Monitoring	282	0.0	$ 130.38	$ 1.96	6.3%	9.8%	2.6%	0.0	$ 156.10	$ 2.35
Rehab Case Management	282	0.0	$ 221.63	$ 2.23	6.3%	9.8%	2.6%	0.0	$ 265.35	$ 2.67
Community Psych Services	282	0.5	$ 170.68	$ 90.94	6.3%	9.8%	2.6%	0.5	$ 204.35	$ 108.88
Peer Support	282	0.4	$ 86.55	$ 31.77	6.3%	9.8%	2.6%	0.4	$ 103.63	$ 38.03
Therapeutic Psychoeducation	282	0.5	$ 222.37	$ 105.07	6.3%	9.8%	2.6%	0.5	$ 266.24	$ 125.80
Total	**282**	**4.5**	**$ 245.24**	**$ 1,094.62**	**6.3%**	**9.8%**	**2.6%**	**4.5**	**$ 293.63**	**$ 1,310.58**

Administrative Load:	$ -
Other Non-Medical:	$ -
Total Case Rate:	**$ 1,310.00**

General Notes:

- The data and methodology included herein was developed on behalf of the Washington Health Care Authority for sole use in the construction of a Medicaid reimbursement arrangement for the Washington New Journeys program. Use of this information for any purpose beyond that stated may not be appropriate.

Footnotes:

1. Selected base data reflects the following:
   - ProviderOne data for Medicaid eligible members for months 7 through 24 after enrollment in the New Journeys program with Calendar Years (CYs) 2017-2019 for months in which the member utilized services in the New Journeys benefit package services at Behavioral Health Resources - Olympia.
   - Dollars reflect line paid units converted to hours and shadow priced to CY 2017 levels under the managed care capitation rate methodology with New Journeys non-billable considerations, using draft modeled unit cost for hourly services. Pricing is subject to change.
2. Adjustment to 2019 Levels reflects unit cost trend applied for 2 years from CY 2017 pricing levels to CY 2019.
3. Prospective Program Changes reflects a unit cost adjustment for BH Enhancement funding for community-based services.
4. Prospective Trend reflects unit cost trend applied for 2 years to CY 2021; trend is mitigated to avoid double counting of program changes.